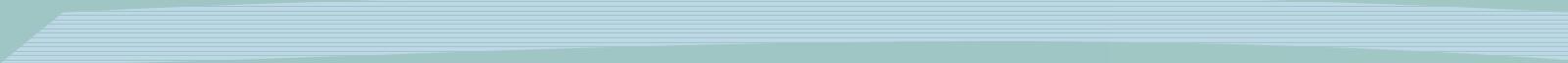


Second Baldrige Self-Assessment



January 16, 2001

Second Self-Assessment

Participants

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The Malcolm Baldrige National Quality Award

- ☆ The award's guidelines and criteria have established a standard for performance excellence
- ☆ The criteria provide a valuable framework to help assess and measure performance on a wide variety of performance indicators
- ☆ Foundation is a set of core values and concepts

Core Values and Concepts

- Visionary Leadership
- Customer Driven
- Organizational and Personal Learning
- Valuing Employees and Partners
- Agility
- Focus on the Future

Core Values and Concepts

- Managing for Innovation
- Management by Fact
- Public Responsibility and Citizenship
- Focus on Results and Creating Value
- Systems Perspective

Baldrige Criteria

The core values are embodied in seven categories which are sub-divided into 19 items

The evaluation is based on three dimensions:

Approach

Deployment

Results

Why Conduct a Self-Assessment?

- ⇒ Determine how well USPTO is currently performing against criteria for high performing organizations
- ⇒ Provide a comprehensive framework for evaluating performance and performance plans (GPRA requirement)
- ⇒ Identify and prioritize action plans needed to enhance performance
- ⇒ Determine how well all parts of the organization are working together to achieve strategic objectives

Why Conduct a Self-Assessment?

(Continued)

- ⇒ Help to align the many initiatives and processes to improve overall organizational performance and customer satisfaction
- ⇒ Helps to drive continuous improvement and an organization-wide focus on performance excellence

First Self-Assessment

Approach

When: June through August 1999

Who: Quality Council Representatives and Maxwell Students

How: Training (4 days)

Structured interviews/information, data collection (8 wks)

Team consensus (5 days)

Contractor scoring (2 days)

Executive Committee/Union presentation

Quality Council/OQM action

Second Self-Assessment

Approach

- ⇒ New Quality Council members trained in Baldrige criteria
- ⇒ Self-assessment survey administered to managers, union leadership and Quality Council members (1/2 day)
- ⇒ Quality Council self-assessment using existing data (4 days)
- ⇒ Quality Council consensus on Strengths & Opportunities for Improvement (1/2 day)
- ⇒ Contractor developed final score and draft report based on results of self assessment (2 days)
- ⇒ Quality Council reviewed report and made final recommendations (1/2 day)
- ⇒ Contractor finalized score and report (4 days)
- ⇒ Executive Committee and Union Leadership briefed

First Self-Assessment

Findings - Vital Few

- ⇒ Institutionalize the overall PTO strategic planning process
- ⇒ Develop an integrated customer complaint process
- ⇒ Integrate the broad variety of measurement data
- ⇒ Align employee performance requirements with business goals
- ⇒ Develop a comprehensive feedback and action planning process for employee survey results
- ⇒ Deploy a systematic approach for the continuous improvement of key PTO processes

First Self-Assessment

Actions

Institutionalize the overall USPTO strategic planning process

- USPTO strategic framework developed, deployment begun
- USPTO strategic planning session with Executives and Union representatives
- USPTO systematic strategic planning process developed, deployment begun
- USPTO strategic plan for 2001-2006 in draft
- Patent strategic plan for 2001-2006 complete
- Trademark strategic plan for 2001-2006 in draft
- CFO/CAO planning underway
- OCIO strategic information technology plan in place

First Self-Assessment

Actions

Develop an integrated customer complaint process

- Research complete
- Pilots begun in TCs 1700 and 3700
- Trademark initiative for 2001
- Patent data base in place and shared across TCs

First Self-Assessment

Actions

Integrate the broad variety of measurement data

- Balanced scorecard training (over 40 employees)
- Balanced scorecards in place for all major organizations
- Balanced scorecards in place in many sub-organizations
- Balanced scorecards updated quarterly
- Balanced scorecards used to monitor performance by senior executives
- Balanced scorecards shared with all employees via the intranet

First Self-Assessment

Actions

Align employee performance goals with business goals

- Trademarks IBB
- Patents partnership effort
- CFO/CAO leadership performance plan revisions

First Self-Assessment

Actions

Develop a comprehensive feedback and action planning process for employee survey results

- Quality Council utilized 1998/99 survey results to develop Day 1 and Day 2 initiatives
- 2000 employee survey contract includes a systematic process for rolling out survey data - manager training
- 2000 employee survey contract includes a systematic process for understanding linkages between employee satisfaction, customer satisfaction and business results

First Self-Assessment

Actions

Deploy a systematic approach for the continuous improvement of key PTO processes

- No specific USPTO actions to date

Leadership

The leadership category examines how the organization's senior leaders address values, directions, and performance expectations as well as a focus on customers and other stakeholders, empowerment, innovation, and learning. Also examined is how the organization addresses its responsibilities to the public and supports its key communities.

Second Self-Assessment

Findings - Leadership

Strengths

- + Use of Balanced Scorecards.
- + Implementation of Day 1 and Day 2 initiatives.
- + Implementation and/or continuation of initiatives supporting the Intellectual Property Community

Opportunities for Improvement

- Improving trust between employees/unions and management.
- Sharing accountability for Agency performance at the senior leadership level

Strategic Planning

The Strategic Planning category examines how the organization develops strategic objectives and action plans. Also examined are how the chosen strategic objectives and action plans are deployed and how progress is measured.

Second Self-Assessment

Findings - Strategic Planning

Strengths

- + Strategic planning guidelines have been developed.
- + USPTO Strategic Framework for 2001-2006 is in place.
- + Managers are accountable for strategic and operational goals within their organization.
- + Action plans are driven by performance goals.

Opportunities for Improvement

- Better integrate operational plans across all business and support units.
- Improve linkage between strategic and operational goals and individual performance goals.

Customer and Market Focus

The Customer and Market Focus category examines how the organization determines requirements, expectations, and preferences of customers and markets. Also examined is how the organization builds relationships with customers and determines the key factors that lead to customer acquisition, satisfaction, and retention and to business expansion.

Second Self-Assessment

Findings - Customer and Market Focus

Strengths

- + The USPTO uses a wide variety of mechanisms to determine customer needs.
- + Customer service represents a major USPTO strategic goal and there is a strong customer focus throughout the organization.
- + The USPTO uses annual customer surveys to measure overall customer satisfaction and determine customer requirements.

Second Self-Assessment

Findings - Customer and Market Focus (Con't.)

Opportunities for Improvement

- There is no systematic approach in place to determine why various segment groups use/don't use the patent and trademark systems.
- There is no systematic complaint handling and problem resolution process in place in order to promptly address problems and collect data in order to be able to analyze systemic problems and trends.
- Complaint data is not being used for training purposes or for educating customers about expectations and aspects of the filing process.
- All employees need to be accountable for customer service through the individual performance plans.

Second Self-Assessment

Findings - Customer and Market Focus

Conclusion:



Information and Analysis

The Information and Analysis category examines the organization's information management and performance measurement systems and how the organization analyzes performance data and information.

Second Self-Assessment

Findings - Information and Analysis

Strengths

- + The agency uses an extensive bank of data collection tools to regularly collect objective data about operational production.
- + Standardized balanced scorecards are in use by all organizational units.
- + The Executive Committee uses the balanced scorecards to review organizational performance results and analyze data for trends to support decision-making, priority setting, and planning.

Second Self-Assessment

Findings - Information and Analysis (Con't.)

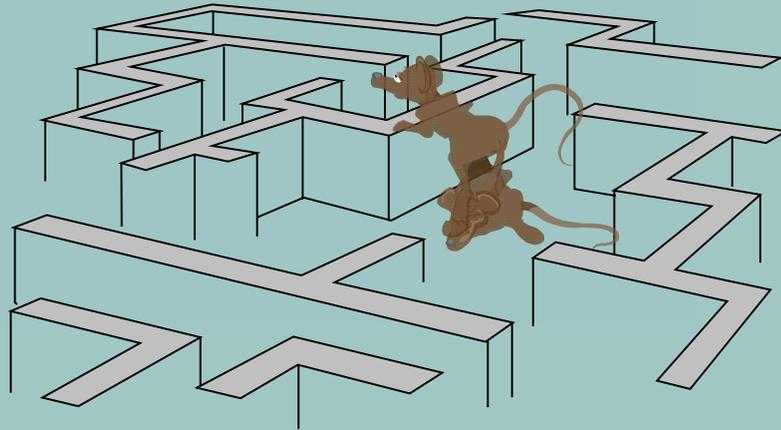
Opportunities for Improvement

- The performance reviews conducted by senior management and the business units usually focus on performance data instead of an analysis of the data.
- Since cause and effect relationships and a determination of what is driving data results is not being developed for the performance reviews, the organization is missing opportunities to make systemic changes that could substantially impact performance.
- Individual performance plans and employee award criteria are not properly aligned with strategic goals.

Second Self-Assessment

Findings - Information and Analysis

Conclusion:



Human Resource Focus

The Human Resource Focus category examines how the organization motivates and enables employees to develop and utilize their full potential in alignment with the organization's overall objectives and action plans. Also examined are the organization's efforts to build and maintain a work environment and an employee support climate conducive to performance excellence and to personal and organizational growth.

Second Self-Assessment

Findings - Human Resource Management

Strengths

- + Patent examiners and trademark examining attorneys have a clearly defined career progression path.
- + There are clearly articulated performance standards in place.
- + Substantial resources are allocated to training and development activities each year.
- + There are procedures in place to provide business units specific training.
- + Employee satisfaction is regularly assessed and the results are used to drive organizational change.
- + Many programs and benefits are in place to enhance employee well being.

Second Self-Assessment

Findings - Human Resource Management (Con't.)

Opportunities for Improvement

- There is no systematic process in place to identify training needs of individual employees based on a skills assessment.
- Employee training and career development is de-emphasized following initial skills training.

Process Management

The Process Management category examines the key aspects of the organization's process management, including customer-focused design, product and service delivery, key business, and support processes. This category encompasses all key processes and all work units.

Second Self-Assessment

Findings - Process Management

Strengths

- + The USPTO uses several mechanisms to get customer input on needs and expectations for product, service and process changes.
- + The agency has been in the forefront in the application of technological advancements in the (re)design of major business processes.
- + Support organizations conduct both routine and transactional internal customer surveys to identify problems in meeting needs, satisfaction, and improvement initiatives.
- + Several major contracts are managed through a collaborative relationship.

Second Self-Assessment

Findings - Process Management (Con't.)

Opportunities for Improvement

- There is no systematic process for evaluating problem data and results from quality reviews in order to conduct root cause analysis and make corrective process improvements.
- There is no comprehensive process for the continuous improvement of business processes.
- Support organizations do not have a systematic approach for designing and continuously improving processes to meet the business unit's changing requirements.

Business Results

The Business Results category examines the organization's performance and improvement in key business areas - customer satisfaction, product and service performance, financial and marketplace performance, human resource results, and operational performance. Also examined are performance levels relative to those of competitors.

Second Self-Assessment

Findings - Business Results - What does the data tell us?

- Patent and Trademark overall customer satisfaction scores are over 60% and certain key drivers have moderately high levels of satisfaction.
- Meeting key timeliness standards continues to be a problem area.
- While several key financial measures remain positive, some unit costs have increased and certain financial ratios have declined.
- There are high levels of employee satisfaction with the quality of work life initiatives, immediate supervisors, customer focus issues, and pride in work issues.
- No quantifiable data was readily available on supplier performance.

Second Self-Assessment

Findings - Business Results - What does the data tell us?
(Con't.)

- There have been several improvements in support services for FY99 levels and hiring cycle times declined.
- Meeting certain key processing time standards continues to be a problem in the support areas.
- Comparative data for most areas is lacking.
- The balanced scorecard measures for some support areas are simply activity/workload data.

Second Self-Assessment

Results - Vital Few

- Limited comprehensive analysis of performance data is conducted
- No systematic complaint handling and problem resolution process is in place
- There is limited linkage between strategic and operational goals and individual performance goals
- No systematic process is in place to identify individual training needs or to evaluate training effectiveness

Second Self-Assessment

Results - Scores

<u>Summary of Criteria Items</u>	Total Possible <u>Points</u>	2000 % <u>Score</u>	2000 <u>Score</u>
1. Leadership			
1.1 Organizational Leadership	90	40	36
1.2 Public Response	35	60	21
2. Strategic Planning			
2.1 Strategy Development	45	50	22.5
2.2 Strategy Deployment	50	40	20
3. Customer and Market Focus			
3.1 Customer and Market Knowledge	45	60	27
3.2 Customer Satisfaction and Relationships	50	60	30
4. Data and Information Systems			
4.1 Measurement of Performance	45	40	18
4.2 Analysis of Performance	50	30	15

Second Self-Assessment

Results - Scores

<u>Summary of Criteria Items</u>	<u>Total Possible Points</u>	<u>2000 % Score</u>	<u>2000 Score</u>
5. Human Resource Focus			
5.1 Work Systems	35	50	17.5
5.2 Employee Training	30	50	15
5.3 Employee Well-Being and Satisfaction	30	60	18
6. Process Management			
6.1 Product/Service Processes	50	50	25
6.2 Support Processes	20	40	8
6.3 Supplier Processes	25	50	12.5
7. Business Results			
7.1 Customer Results	125	50	62.5
7.2 Financial Results	50	40	20
7.3 Human Resource Results	75	40	30
7.4 Supplier Results	75	10	7.5
7.5 Organizational Effectiveness Results	75	40	30
		Total	435.5 (1999 = 408)

1999 Distribution of Written Scores for Award Applicants

<u>Band</u>	<u>% Applicants In Band</u>
0 - 250	13%
251 - 350	23%
351 - 450	29%
451 - 550	25%
551 - 650	10%
651 - 750	0%
751 - 875	0%
876 - 1000	0%

Second Self-Assessment

Baldrige Scoring Band Description

<u>Band</u>	<u>Description</u>
351-450	Agency demonstrates a systematic approach responsive to the basic purposes of most items, but deployment in some key areas is still too early to demonstrate results. Early improvement trends in areas of importance to key organizational requirements are demonstrated.

Second Self-Assessment

Final Thoughts

- While the USPTO uses several approaches, tools and techniques to enhance performance, many of them are not systematically applied.
- For the most part, the USPTO still functions as a group of silos. However senior leadership has acknowledged this problem and begun to address it.
- Innovation, risk-taking, and continuous learning are not part of the culture of the organization and are not integrated into daily work.

Second Self-Assessment

Final Thoughts (Con't.)

- + There has been substantial improvement in customer focus throughout the organization.
- + The beginning stages of a systematic approach to strategic planning is evident.
- + Substantial progress has been made in enhancing the quality of work life for all employees.
- + The use of balanced scorecards provides a strong foundation for measurement and analysis of performance. The next step is to provide a strong focus on extracting larger meaning from data and information, through data analyses to support evaluation, decision-making and operational improvements.

Second Self-Assessment

Final Thoughts (Con't.)

- The use of a streamlined approach to self-assessment proved to be valuable in providing a good trade-off between members daily work and a commitment to the self assessment process. Further refinements can be made in the future.
- The Executive Committee must continue to provide support to both the self-assessment process and to providing priority attention to the “vital few” issues.

Second Self-Assessment

Next Steps

- ⇒ Reach consensus on the appropriateness of the 2000 Vital Few
- ⇒ Identify champion(s) for each of the 2000 Vital Few
- ⇒ Post 2000 Baldrige Assessment results on the Quality Home Page
- ⇒ Prepare an article for USPTOPulse on 2000 Baldrige Assessment results
- ⇒ Monitor progress on actions to address the 1999 and 2000 Vital Few on a quarterly basis